

CITY OF SAN DIEGO RETIRED EMPLOYEES ASSOCIATION  
BOARD MEETING MINUTES  
Meeting of March 9, 2010  
Santa Fe Room, Balboa Park Club

**ATTENDANCE**

**REA Board Officers Present:** President Jim Baross; Vice President for Advocacy Patti Karnes; Vice President for Programs Dave Twomey; and Treasurer Gary Hess.

**Members of the Board of Directors Present:** Elected Representative to the Retirement Board Dave Hall; Immediate Past President Nancy Acevedo; Director & Web-master Art Brown; Director Bob Korch; Director & Revitalization Chair Maggie Smith; Director Terry Flynn; Director Ty Rogers and Director Dick Wilken.

**Appointed Members of the Board Present:** Membership Sylvia Tatum, Newsletter Editor Janet Wood and Parliamentarian Robert West.

**Others Present:** Retiree Issues Task Force Member Joe Flynn, MEA Representative, Hospitality and Special Events Chair Helen Phillips, Assistant Newsletter Editor Jean Struiksmma, Former MEA Representative Lynn Swanson, and Retiree Jon Dunchack.

There were no guests at this meeting.

**CALL TO ORDER**

Jim Baross called the meeting to order at 9:30 a.m.

**APPROVAL OF MINUTES**

The Board Meeting minutes for February 9, 2010 were approved unanimously and Helen Phillips was thanked for stepping in to do the minutes in the absence of the Secretary.

**COMMUNICATIONS**

Sylvia Tatum mentioned that Bob Snowden had passed away. She had contacted the family. Today's newspaper contains the obituary which mentions the time and place of the service which is on Thursday. A number of board members indicated that they had known Bob. Sylvia wondered if an email "Blast" would be appropriate. A number of board members indicated that they had known Bob. A decision was made that an "in memoriam" item can be included in the newsletter and the website. In most cases notices of a members passing will not be announced at the General meetings nor will special email Blasts be done about a member's passing, though in future cases, it will depend upon the circumstances. A decision was made that an "in memoriam" item can be included in the newsletter and the website. In future cases, it will depend upon the circumstances.

**TREASURER'S REPORT**

Gary Hess had distributed the report to the board. Some glitches will be corrected. Dave

Twomey suggested inserting another column which would indicate the budgeted amount. A motion was made (Maggie/Dick) to approve the report with modifications. At Jim's request, Gary agreed to call a meeting of the audit committee when audit materials are ready.

#### ACTION ITEMS

Item #1: What is the organization to be "nicknamed"? CSDREA, REA, RCEA? It was pointed out that SDCERS refers to our organization as REA. Art Brown had brought up the idea of "branding," and suggested that in more formal communication we could use our Domain Name, and that we could have that whole domain name below the logo. Maggie emphasized that we be clear with the press. A motion was made and seconded (Dick/Bob West) that we use REA as our new nickname. Case by case judgment will be used to determine when to use our nickname and when to use our formal official name City of San Diego Retired Employees Association (CSDREA). The motion and the amendment were passed unanimously.

Item #2: There was a spirited discussion of the Advocacy Plan and proposals for the prospective-member brochure. A draft of proposed language by Jon Dunchack was attached to the board agenda (which had been distributed via email to all participants the day before the meeting). Jim questioned the Board about their preference of tone for the recruiting brochure, being revised by General Member Jon Dunchack at the request of Maggie's Revitalization Committee. Was it over-stressing advocacy issues? Were issues too time sensitive?

Jon spoke about what his purpose was in writing the draft advocacy material. His main theme was that we need to alert retirees to factual threats.

Maggie said that she feels that Jon's work is very valuable to our members. She did say, though, that she felt it could be a little more moderate. The brochure, she said, could be moderate and conventional though it could contain the theme that Jon discussed in his material. She sees the brochure as a glossy, folded document, more moderate in tone.

Patti mentioned that Jean Hughes said that we need to recruit more people, especially after the tone expressed at Monday's City Council meeting. Jean Hughes had sent recommendations to appeal to join REA along the lines of "Uncle Sam needs you", rather than "Alert". Make it sound like an accomplishment to join and not a request, she wrote. She also suggested we note in the brochure that our Advocacy Committee needs to be supported. Patti had attended the March 8th Council session in which the City Attorney challenged SDCERS General Counsel Elaine Reagan on SDCERS right to their opinion of what the Charter and Ordinances meant, resurrecting Aguirre's position against SDCERS' independent legal authority.

Patti continued, reporting that the City Attorney said, in essence, that the City may have to litigate if SDCERS does not agree with the City's interpretation of its Charter and various pension ordinances. The discussion related to whether or not market losses by

SDCERS were part of the UAL (and thus responsibility of the City) or whether market losses were a part of system costs not vested and thus subject to 'substantially equal' sharing with the City employees.

Patti said that Faulconer was concerned about the public picking up both sides' legal expenses, when the City Attorney invited SDCERS to negotiate with him publicly and then the City Attorney declined to negotiate publicly himself, as he expects SDCERS to litigate against his position. He will keep his ideas in Closed Sessions he indicated.

Patti also reported that the City Attorney had expanded "Substantially Equal" to mean that old retirement plan Police would see about a third of their pre-tax dollars go to help cover SDCERS' unfunded liability due to investment losses. DeMaio was pressing for lowering the assumed rate of return from 7.75% to 5%, which SDCERS' actuary said would result in the unfunded liability more than doubling and the City's annual required contribution (ARC) going up. The Council was also advised that when more employees are retiring earlier than expected, the higher the ARC will go. If all the old plan members moved to the new plan, SDCERS' actuary told DeMaio, then the unfunded liability would not go away.

Joe Flynn said that Jon's work is good; it's direct, and we need to make prospective members aware: the material is right on point. Some piece of it, he said, could be in the brochure.

Bob West said that we might include the fact that the threat of loss of health insurance has been done several times before.

Dick said, "This (health care) is a fundamental issue, so what do we do about it?" We need to get the messages out there: there is a threat out there, and this is an opportunity to motivate people to join REA and to become more active and effective in advocating for the protection of our health insurance benefit.

Helen said she had made contact with MEA, and they would make available to us the opportunity to submit material to be mailed to potential retirees.

Janet Wood Janet delineated two goals for adding the advocacy tone:

- 1) Increase our legal funds.
- 2) Wanting more members for organizational strength.

Patti added a third goal: The need for more retiree advocates.

Ruth Ann said that there are three recruitment versions for this effort:

- 1) An insert in the brochure for prospective members,
- 2) REA's newsletter, and
- 3) A letter to be mailed to all retirees, assuming that SDCERS would address it for us; we would have to pay for the postage, the paper and the envelopes. (Assuming that each

piece would cost about \$1.00, that would be an expenditure of about \$5,000.)

Jim said that he felt there was a consensus for increasing our clout.

Jon said that he hopes his committee will find out what other SDCERS-type organizations are doing.

Nancy said, "I like the tone [of this material]--if I were not a member, I would like to join."

The direction from Jim was that the Advocacy Committee, along with Revitalization, move forward and come back with specific pieces.

Ty pointed out that this is going to have cost consequences, and that the Advocacy Committee should determine what resources will be needed for carrying out this plan. Ty suggested we consider raising dues contributions for legal fees. (In the past, the Board brought up the idea of tiered rates, depending on retirement dates.) Others were concerned our \$54,000 would not go far if there are serious legal problems. Patti hopes SDCERS will carry out the California Pension Protection Act, Proposition 162, and defend SDCERS independence from the City and its fiduciary responsibilities to its members. Patti will send a copy of California Pension Protection Act Proposition 162 to Webmaster Art Brown to post on our website.

Joe said to work with Retired Fire and Police on the Council's and the City Attorney's issues of the funding of SDCERS.

Dick liked the ideas of Coffees in various locations so retirees could network on issues. Nancy also liked doing a focus group. Patti suggested a ten minute overview of SDCERS independence and basic pension funding as a draw topic to a discussion group.

Finalize brochure in joint meeting of the Revitalization and Advocacy committees.

At the next meeting discuss Jon Dunchack as Chair of a new subcommittee: General Member Advocacy Group.

Patti said that the City Attorney's office said in yesterday's City Council meeting that they would litigate if SDCERS does not agree with the City's interpretation of its Charter and various pension ordinances. According to Dick, the discussion related to whether or not market losses by SDCERS were part of the UAL (and thus the responsibility of the City) or whether market losses were part of system costs not vested and thus subject to 'substantially equal' sharing with City employees.

She suggested that the SDCERS attorney, Elaine Reagan, who was put on the hot seat by the City Attorney and other City Council members, be invited to speak at one of our discussion groups.

### **ELECTED REPRESENTATIVE TO THE RETIREMENT BOARD**

Dave Hall pointed out that much of the public perception today of the employee's retirement benefits has been driven by media advocacy. Active and retired employees need to consider the same approach as it relates to forming public opinion through various media. There are great benefit to using varied media approaches to heightening public awareness and knowledge.

Also, at the April 16<sup>th</sup> SDCERS Board meeting, there will be additional discussion regarding the concept of "substantially equal." Paying attention to this discussion is important.

He shared what he learned at a recent seminar: "Raise the level of awareness through MEDIA ADVOCACY." We should ask why more retirees are not involved.

### **PROGRAMS**

Dave Twomey put forward the following program schedule:

April- Captain Joel Roos, the Deputy Commander at the Naval Hospital who will speak on the physical and mental treatment for our returning troops.

May and October- Council candidate forums.

Dave T. provided the following for discussion and recommendations concerning potential candidate forums. "The May 11 meeting would be a candidate forum for Districts 2 and 4. I have limited it to those two for a couple of reasons: by trying to do all four districts in one forum, we could have as many as 26 candidates on the stage. This is clearly unworkable from the standpoint of both logistics and the quality of program. Districts 2 (Falconer) and 4 (Young) will likely be decided in the primary so this is our one and only opportunity to hear from these 2 incumbents and the 8 challengers. I would like to invite Dennis Morgino to serve as moderator [Breaking News: Mr. Morgino has agreed to be the moderator] and to have 4-6 REA reps to serve as the panel (Joe Flynn, Dick Wilken, Jon Dunchack, Patti Karnes and others). While the venue will be the Recital Hall, I would like to leave it open as to luncheon vs. a continental breakfast at 10AM. The board would need to meet at 9AM. We could do this this at a charge of \$5 at the door with no subsidy other than the candidate participants and moderator. Nancy mentioned that Tuesday is not a good day for City Councilmember availability."

Districts 6 & 8 pose a different challenge; 16 candidates, no incumbents and no clear front runner. Most likely this race will come down to a runoff in Nov. We could host a candidate forum at our October meeting using a similar setup as the May 11 forum; moderator plus 4-6 panelists."

Dave mentioned that he is not responsible for the Police Pistol Range event in the summer; Helen Phillips will take on that event with her Special Events responsibility. Lynn Swanson mentioned that John Swanson will not be able to head up this event as he did last year, but that he has all of the records of what he did that can be passed on to Helen.

Other committee reports were deferred.

**ADJOURNMENT**

The Board meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Ruth Ann Hageman, Board Secretary